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**Old West
Regional
Commission**

ANNUAL REPORT 1979

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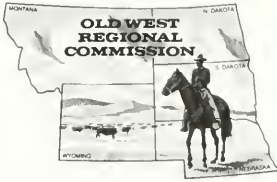
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OLD WEST REGIONAL COMMISSION

The Honorable Walter F. Mondale
President of the Senate
The Capitol
Washington, D.C. 20510

The Honorable Thomas P. O'Neill, Jr.
Speaker of the House
The Capitol
Washington, D.C. 20515

Gentlemen:

It is a pleasure to present the Annual Report of the Old West Regional Commission for Fiscal Year 1979, prepared in accordance with the Public Works and Economic Development Act of 1965 as amended.

The Report delineates the Commission's continuing efforts to stimulate and enhance the economic development of the five Old West states through innovative, effective regional action. We trust it adequately portrays the unanimity of priorities and purpose which has found expression in a coordinated regional response to the area's pressing problems.

The positive results achieved by Commission action testify substantively to the merits of its program and the wisdom of the Congress in establishing the Commission as a unique and capable vehicle for promoting multi-state economic development cooperation.

Sincerely,

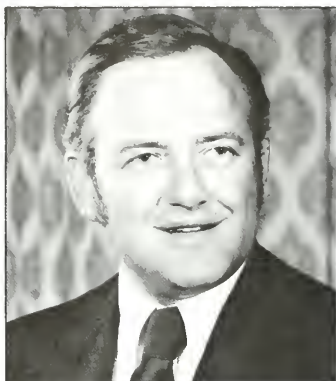
Ed Herschler
Governor of Wyoming
State Cochairman

George D. McCarthy
Federal Cochairman

Commission Membership



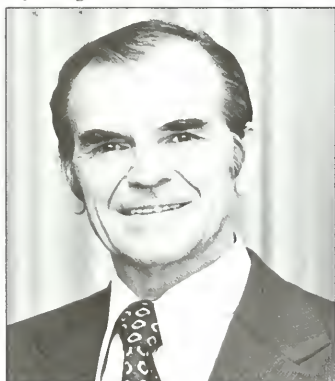
Governor Ed Herschler
Wyoming, State Cochairman



Governor Thomas L. Judge
Montana



Governor Charles Thone
Nebraska



Governor Arthur A. Link
North Dakota



Governor William J. Janklow
South Dakota



George D. McCarthy
Federal Cochairman

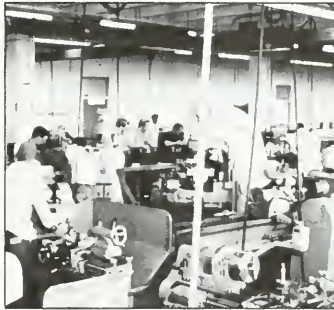
Introduction

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The Old West Regional Commission, one of eight created by the Congress under the Public Works and Economic Development Act, demonstrated effectively during FY 1979 that the Federal-State partnership concept for stimulating economic development is both valid and worthy of added emphasis. The Commission addressed regional issues and complemented state initiatives with a constructive series of programs designed to heighten the impact of state efforts and coordinate collective state reactions to common regional problems.

As the Commission program has steadily progressed from its beginning in 1972, it has moved away from sponsorship of isolated, sometimes random projects toward a system of continuing services designed to meet basic regional economic needs. Thus, a major portion of Commission funds are now allocated to support such regional services as international marketing programs for both agricultural and non-agricultural products, maintenance of the Commission's Rural Water Office designed to provide startup assistance to proposed rural water systems, early completion of soil surveys throughout the Region, and support for organizations providing assistance to small and emerging industries.

The focus of the programs has changed sharply from the days when the Commission concept was proposed. At that time, the Commission was suggested as a means of attacking growing regional problems of below-average income levels, outmigration of the Region's youth, declining population, deteriorating transportation systems, and economic help for the Indian population. Now, the westward thrust of energy development has suddenly cast upon the area a litany of new problems. Some of the original economic troubles remain, but generally problems geared to declining regional fortunes have given way to those involved



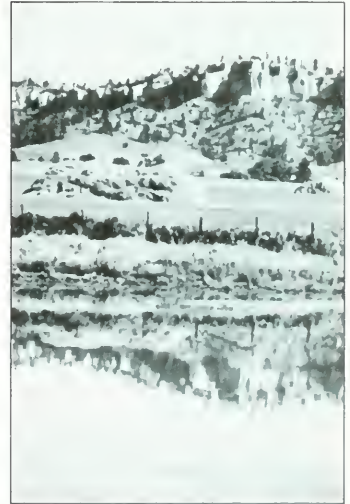
in management of the new economic boom built around the Region's vast energy resources.

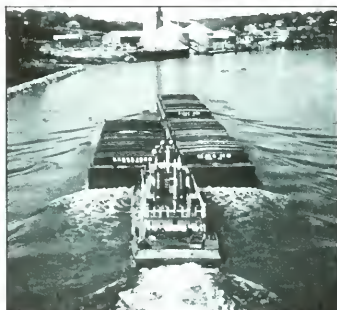
The twin tests the Commission consistently applies to all its activities are whether they will be regional in scope and application and whether they meet a priority regional economic need. While in the past three years, the Commission has begun to provide supplemental funds for economic and industrial projects, a consensus developed during FY 1979 that limited funds may preclude continuation of such activity and that available resources should be reserved for direct technical assistance providing more emphatic progress toward Commission goals.

The program itself has evolved into a six-phase effort, directly reflecting the practical economic concerns of elected officials of the Old West states and their

staffs. These program phases are: assisting in resource development and coping with related environmental and socio-economic impacts; advancement of agriculture and expansion of marketing for agricultural products and other natural resources; development of a broader non-agricultural industrial base; securing better facilities and resources for critical human needs, particularly education and health care; improvement of the Region's transportation system; and assistance to state and local governments, enhancing their capability to serve their constituents effectively.

The following report deals with how the Commission is attacking the Region's social and economic problems through these basic programs.





As the nation's eager search for domestic energy sources turns increasingly toward the Old West, predictable reactions follow. Widespread energy development is inevitably accompanied by sharp, onerous socio-economic impacts as well as serious effects on the Region's land and water resources. The Commission's helpful stance in this area of activity has been to support member states in coping with those effects.

Because widening energy and mineral development will take huge sections of land out of agricultural production or recreation usage, effective land management becomes a more critical factor in the Region. And because most forms of energy development, whether for conversion in the Region or shipment out, require significant amounts of water, supplies of this precious resource must be carefully preserved and renewed however possible. Communities most directly affected by the influx of men and machines new to the economy of the Region need all the help and guidance they can get in adjusting their facilities and resources to meet rapidly-changing requirements.

Meanwhile, the search for alternative energy sources, such as wind and geothermal energy occupies an integral role in long-range planning. In all of these areas, the Commission endeavors to support research and demonstration and to provide information services which will help Old West states to make necessary adjustments in their technical and economic approaches to these developing problems.

The emphasis upon research and demonstration in resource development and related impacts which distinguished the Commission's early years has largely given way to other forms of technical assistance. Fewer premises still need testing; the technology is in place and current energy development needs relate more directly to impact assistance, planning and hardware to perform the tasks.

Yet, the Commission continues to provide valuable assistance in the energy area with a modest expenditure of funds for specific research or demonstration projects touching upon a new facet of the energy development problem, or by sponsoring energy-related regional activities. During FY 1979 Commission leadership in this area manifested itself in sponsorship of a number of such projects.

One of the major completed projects in this category was a two-year investigation of socioeconomic changes in four Old West counties, two of which are heavily impacted by energy development, plus two control counties. The project, conducted by the Center for Urban and Regional Analysis of the Institute for Policy Research at the University of Wyoming, compared actual socioeconomic changes accompanying construction of coal-fired electric power plants with those projected in impact statements. Data was collected in two impacted counties in Wyoming and North Dakota and two other counties in Nebraska and Montana.

The investigation concluded that although wages and prices in the impacted counties rose as a result of energy development, the increases were not significantly greater than those experienced in non-impacted counties. Researchers also concluded that a greater percentage of the construction workers than was expected commuted to work at the plant sites from urban areas as far as 100 miles distant. More than 30 percent of the construction workers at the two plant sites chose to live in temporary housing. The amount of lag between the time construction workers arrived and the time employment increased was much shorter than anticipated, and property taxes decreased as a percentage of total revenues of governmental subdivisions. Revenue sharing, mineral royalties and impact funds as sources of revenue increased dramatically. The greatest expenditure increases in the impacted counties were devoted to law enforcement, public utilities and schools.

Similar research was sponsored into the economics of placing a severance tax

on mineral fuels. Three Old West states, Montana, North Dakota and Wyoming, now have such a tax on coal. The Commission project was designed to provide a historical, compact view of the impacts of mineral fuel taxation in the Region, with primary emphasis upon coal and uranium and secondarily upon petroleum and natural gas. The study marked one of the first efforts to focus on the total fiscal impact of coal development and to define the role of the Region as a coal supplier for electrical generation in the coming decades.

Along the same line of investigation, the Commission agreed to undertake a so-called coal linkages study, endeavoring to identify companies now serving mineral extraction and power generation industries from outside the Region, in order to determine which of them could benefit from locating within the Region.

A 20-month, air-monitoring project to collect baseline data on pollution resulting from increased industrialization was completed. It found air masses over the Region to be relatively clean and subject primarily only to local contaminants. Pollution data were collected continually during the research period by a mobile laboratory which conducted its monitoring on a systematic route throughout the Region.

In order to provide the best possible regional representation on coal research, the Commission sponsored and funded a coal research consortium of the Region's interested educational institutions. The consortium is expected to propose a regional coal research laboratory for funding by the U.S. Department of Energy. The laboratory format would consist of selection by the consortium of a lead institution to coordinate all research, supported by a series of satellite institutions concentrating on various specific



phases of coal development. The objective of the consortium would be establishment of a Regionwide coal research capability dealing not only with production but also transportation and final disposition of the coal.

In the area of energy alternatives, the Commission continued funding of a two-year demonstration in the feasibility of wind power for electrical power generation in rural areas with exceptional wind resources. The project was designed to test a system of wind generation as a supplemental power source, adding to power resources in times of surplus and drawing from public reserves in times of need. It also was designed to combine wind data, power requirements and wind turbine data, to determine what economic conditions must exist for wind generation of electricity to be economical for individual ranchers or farmers, and to develop a system for installing such a system in locations where wind energy is a significant factor. The great plains of the Old West, with energy levels in excess of

150 watts per square mile, compose the largest land area in the United States with significantly developable winds.

The Commission continued operation of its Energy Research Information System which tracks and provides periodic computerized information on ongoing and recently-completed energy research in the Region. By providing researchers with an up-to-date information tool in the rapidly-growing and changing field of energy, ERIS aims to improve communication channels among energy research users. The ERIS staff gathers information from state and federal clearinghouses, as well as from specific funding agencies and research facilities. Its comprehensive data base now includes completed research dating from January, 1974, and ongoing research since January, 1975. Information on the system may be obtained from the Commission's Billings, Montana, office.

Water Resources

Very little significant economic growth occurs in the Old West without encountering limitations on the Region's water resources. While those resources are abundant, there never seems to be adequate water to meet continually growing demands. Increasingly, the Commission's five-man Rural Water Office in Bismarck is becoming a focal point for the Region's concern for conserving and deriving maximum utility from all available water resources.

In operation only two years, the Office by the year's end had played an instrumental role in current or completed development of 67 rural water systems. It is designed to provide technical assistance and front-end funding to rural water systems needing assistance in planning, organization, design and feasibility studies to make successful application to the Farmers Home Administration or other lending agencies for construction funds.

While development of rural systems in the Region has progressed steadily,

many localities still experience water problems, primarily involving inadequate quantity and/or marginal quality. To improve these systems, the following problems generally must be overcome: increasing construction costs; lack of pre-construction funds for planning, design and water source identification; the increasing burden on systems and sources as a result of increased energy development; increased competition for government funding; lack of expertise in forming a system; and low density of population, resulting in higher per-user costs.

In addition to helping rural systems solve their threshold planning problems, the Old West Office serves as liaison between local concerns and potential state and/or federal solutions. The rural water situation involves a number of complex problems whose solution requires considerable technical knowledge.

Planning, organization, design and feasibility studies in most cases are inhibited by lack of local funds and technical expertise. Yet they are essential steps for a system to qualify for funding support from FmHA or other agencies. No agency within the Region, except the Commission, provides funds or services during the pre-construction stages. Administrative, legal, hydrologic and engineering costs can place a burden on individual members and at times impede the formation of a project. The fact that FmHA will reimburse a portion of these costs for projects it funds does not eliminate the immediate problem. Often 18-24 months elapse after initial organization before a commitment is received from FmHA.

Old West assistance includes: informational and technical assistance; aid in developing water sources; legal advice; contact with financial sources; preliminary engineering design; and estimates of feasibility.

The 67 applications for assistance which have been approved by the Office and the Commission's Agriculture and Natural Resources Advisory committee on the basis of established criteria in the past two years came from some 80 initial applications. The Office's work on 17 of the systems was completed during the

year; assistance on the remainder was still in progress. Of the approved projects, 19 came from Montana, 11 from Nebraska, 14 from North Dakota, 13 from South Dakota and 10 from Wyoming.

The fact that 30 of the total applications received came to the Office within a recent six-month period indicates awareness of the Office and its services is extending rapidly throughout the Region.

Among other water reclamation and conservation activities undertaken by the Commission, a long and comprehensive analysis of the Yellowstone basin in Montana was completed, indicating that stream flow reductions from coal development in the basin might not be as extreme as had been originally expected. Although the impact of stream flow reductions would be relatively minor, some of the tributaries and even the main stem would be seriously reduced during low flow times of the year. Findings were achieved by projecting three possible levels of future agricultural, industrial and municipal development and the associated stream flow reductions. Impacts of altered stream flow, morphology and water quality on migratory birds, fur bearers, recreation and existing water users were then assessed. A final eleven-volume report was issued.

With Nebraska's abundant groundwater supplies continuing to drop, the Commission was called upon for assistance in achieving a better understanding of the mechanics and potentials of groundwater recharge. A long-standing Commission project continued to document and evaluate existing recharge systems; determine the rate of water movement from the land surface to the aquifer through methods of impounded water, recharge wells and flowing water in canals; establish a monitoring system to

determine changes in recharge rates after initial conditions have been modified; develop site selection criteria for possible artificial recharge sites; obtain data on recharge rates; and survey areas suitable for artificial recharge and then demonstrate the practicability of recharge in selected areas.

Water concerns in western South Dakota and eastern Wyoming were addressed by a Commission-sponsored investigation into the feasibility of piping water from Lake Oahe in South Dakota to Gillette, Wyoming, via a so-called West River Aqueduct. An extensive analysis of conceptual designs, cost estimates, water needs estimates, total cost of water delivered, legal aspects including water rights, possible distribution of the water from the main aqueduct, and various community needs was carried out by several consulting firms, resulting in recommendations that the project would entail several major problems requiring a significant investment of time and money. The report rejected the idea of developing the pipeline with private funds and suggested financing be provided by issuing tax-exempt bonds. Findings were delivered to the states for legislative and administrative consideration.

With the problem of water resource management in the Region equalling in importance the more-widely publicized problems of energy resource use and conservation, public awareness and understanding of the problem was sought by a unique public education program consisting of a series of workshops built around a "water resource simulator" developed by Montana State University. The simulator is an interactive analog computer which models the Region's water supply and demand situation, permitting participants to formulate and implement water use strategies, projecting the probable consequences of their actions. By increasing the sophistication of the model, the simulator becomes an interactive planning tool for river basin resource management.

In an effort to provide Old West states with better water resource management capability, the Commission undertook on a demonstration basis establishment

of a Water Resources Management Policy Office in South Dakota. Objectives of the project were to capitalize fully upon scientific and technical capabilities available to analyze issues of public water policy, and to improve decision-making by developing a package of strategies, procedures and recommendations to address water resources management needs.

Further efforts were invested in an earlier successful demonstration of the management of irrigated agriculture with a limited water and energy supply. Objective of the project, conducted by the University of Nebraska, was to develop criteria for optimizing use of limited water supplies for irrigation of corn and grain sorghum in Old West states. An earlier phase of the project determined that crop yields actually could be maximized by reductions of 50 percent or more in irrigation if the water were scientifically applied. Final work under Commission sponsorship was designed to determine the effects of timing and degree of physiologic moisture stress on yield and metabolic response, to examine the validity of stress conditioning and ultimately to increase the accuracy of the crop growth-yield model.

Another project concerned identification of the availability and costs of water involved in a pump storage facility, including transfer of the water from storage to the area of need. The project addressed irrigation water, rural domestic uses, and municipal and industrial water. Funds also were provided to assist the Missouri River Preservation and Development Committee in assembling information for land use, woodland and wetland loss and impacts of user charges on navigation of a segment of the river in South Dakota and Nebraska.

An overriding water-related concern in the Region relates to the effects of widespread coal development. The concern

is centered not only around additional demands upon water but on the fact that coal beds destined for mining are also aquifers for much of the Region's ground water and the disruption's effect upon agriculture is to date largely unknown. A Commission-funded investigation to determine hydrologic conditions before and during mining and to predict conditions after mining operations are completed concluded that mine spoils do not act as barriers to ground water flow and in some places could actually provide enough water for stock or domestic use. Measurements in observation wells near eastern Montana mines indicated that ground water levels did not change substantially during mining. In other areas, however, water levels did decline as a result of mining. Researchers generally found that as backfilling followed coal removal, ground waters re-entered spoils at the mines, with the greatest saturation occurring where the nearby sources of recharge were available.

Land Resources

Seeking to reap the greatest possible benefits from land resources, the Commission continued its emphasis upon soil surveys and improved range management.

Another year of support for the Soil Conservation Service in surveying and mapping the five-state area brought to a total of 16.9 million acres the amount of additional land which had been mapped in the five years since 1974. In 1976 the Governors recognized the importance of accelerating the pace of soil surveys in the Region for a variety of land-use planning reasons, ranging from farming and ranching decisions to sewage disposal or other urban-expansion considerations.

In 1979 the Commission contributed funds to map 7.4 million acres in the Region out of a total of 14.9 million acres mapped. Commission assistance came in the form of support for the Soil Conservation Service to hire and train additional soil scientists. The effort has substantially reduced the lead time in which it is anticipated all of the applicable land in the Region will have been surveyed and mapped.

Another program of long-standing significance in the Region has been the Commission's comprehensive effort to improve range management, conducted in cooperation with the Society for Range Management. After four years of support for the program, the Commission feels it has contributed substantially to a sound educational base which will orient practitioners to sound, beneficial range management practices for many years to come. The program, consisting of four years of intensive activity, leaned heavily on mass education techniques, including films, workshops, and camps. The films achieved exceptional popularity throughout both the United States and Canada and will be circulated for years to come to promote good range management practices.

Purposes of the range management program were to get 80 percent of the Region's pasture and rangeland under some form of intensive management planning, to upgrade the quality of rangelands to at least 50 percent excellent and 30 percent good, to increase useable forage production by 40 percent or more, to increase useable stockwater on the lands, to add to recreational uses and to improve ranges as wildlife habitats.

In other land management and improvement activities, the Commission extended its support for continuous operation of a regional team designed to alert users to the importance and processes involved in development of the Allotment Management Plan, work with users in identifying broad overall objectives which would be amenable to users, and subsequent presentation of those objectives to BLM. The team is available to provide the expertise to review and assist users in evaluating the draft grazing EIS's in the Region. In continuing support for the program, the Commission extended its scope to include consideration of those lands being considered for wilderness designation as well as grazing lands.

Finally, in another measure to support land management, the Commission helped to fund a symposium on management of intermountain meadows cosponsored by the University of Wyoming and Colorado State University. The



objective of the symposium was to attempt to improve productivity of the meadows. Topics included reseeding and interseeding; management of improved species, soils and fertilization; forage quality; weed and insect control; water management, and water transfers from irrigated meadows.

Agriculture

Despite the rapidly-growing importance of energy development in the Old West, agriculture remains unchallenged as the Region's predominant industry. The Commission program continues to reflect strong interest on the part of public officials in the well-being of agriculture and related endeavors.

The agricultural community's economic concerns are identical with those held by farmers and ranchers everywhere: fair profits for their products and more stable markets to help cushion the peaks and valleys of their uncertain individual economies.

The Commission attempts to respond to these concerns with two broad categories of technical assistance. Operating primarily through the Region's land-grant universities and with the guidance of a 15-person Agricultural and Natural Resources advisory committee representing both public and private sectors, the Commission first seeks opportunities to improve agricultural production and second attempts to expand agricultural markets, especially international markets.

Production

Assistance to the states in expanding agricultural production during the year emphasized attacks on regional production problems which had not attracted sufficient interest on the USDA scale of priorities to warrant attention from federal researchers. Commission efforts continued as they have for several years to attempt to cope with the unique regional problem of saline seep and also confronted another growing regional problem involving a noxious weed called leafy spurge. Other measures were taken to cope with debilitating problems in production of cattle, swine and sheep.

A two-year test of forage minimum-till drills, popularly known as sod-seeding drills, was concluded by the five state agricultural colleges. The tests were instrumental in: determining the best management practices for seeding legumes and grasses into existing stands of pasture, range and hay land; initiating research for an economic analysis of minimum-tillage versus conventional-tillage establishment; establishing demonstrations to





enable farmers and ranchers to see the principles of minimum tilling; bringing into closer focus the individual work of researchers in the five states for the purpose of exchanging ideas, equipment and results.

The Commission's contribution to evolution of the increasingly popular no-till drill was recognized by researchers who named their second experimental drill the OWRC drill. The drill was built for extreme versatility, easily convertible to soil and crops, and from an end wheel drill to a press drill. Its performance was rated generally good by researchers and it has now gone into commercial production.

Old West agricultural experts have recognized that one of the great contributing factors to the growth of saline seeps has been a prevailing tendency among farmers to over-till the land, thereby breaking down the humus in the soil and losing valuable soil nitrogen. The practice also causes a breakdown of soil structure. In an effort to combat this tendency, the Commission supported a two-year project by the South Central Dakota Resource Conservation and Development district to demonstrate that minimum tillage can bring about fuel savings, minimize machinery depreciation, retain soil structure and tilth, minimal wind and water erosion and other economic benefits.

A third planting demonstration sought to make maximum use of crop residues to conserve water, soil and energy in dryland and irrigated farming operations. Specifically, the project refined existing row-crop planting systems for no-till drilling, to develop a high-speed metering and placement system for planting large and small grains and to demonstrate that the systems can provide an environment for good plant emergence even though the soil had not been plowed.

Recognizing that leafy spurge is increasing at an alarming rate in northern great plains and that current methods have been unsuccessful in controlling it, the Commission vigorously endorsed acceleration of applied research, called for better coordination of federal, state and local efforts specifically and asked concerned USDA agencies to take the lead in designing an effective control

and eradication program.

Another production problem of growing severity that the Commission took the lead in attacking is the neo-natal calf disease called "Weak Calf Syndrome." While the Commission had first funded a search for development of diagnostic methods and treatments several years earlier, the startling growth of the problem in Nebraska and other Old West states led to an intensification of Commission-sponsored research. Working with a herd of cattle at the U.S. Meat Animal Research Center at Clay Center, Nebraska, the University of Nebraska received an additional grant to study transmission of the disease. At the year's end, it appeared that Commission initiatives and resolutions of Old West concern were stimulating more federal attention to the problem which in previous years had been viewed as primarily regional in nature and low in a list of Departmental research priorities.

Similar impetus for immunization of pigs against large intestinal roundworms began with Commission-sponsored demonstrations instituted in 1977. While the Old West program is scheduled to continue through FY 1980, it likewise is beginning to attract more active federal support to a problem that did not warrant priority attention when the Commission first attempted to cope with it.

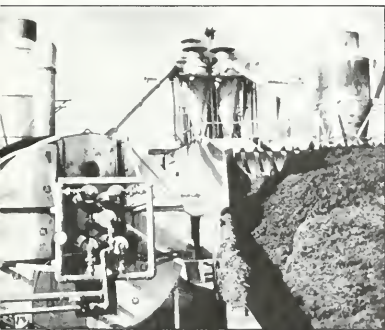
Viewing the decline of sheep numbers in the Region as well as throughout the nation, the Commission undertook another demonstration project in upgrading management practices to expand economical production of western ewes. The goal is to measure the influence of environment and management practices of range sheep producers on lamb and wool production and to develop procedures for improving production. Objectives include measurement of ewe production with maximized forage diets, measurement of lamb and wool production when feed intake is restricted during certain production periods, and determining effects of weaning age on utilization of grazed and harvested forages.

Marketing

The expanding international agricultural marketing program completed its

third year of operation, marked by new sales of more than \$12 million and a more intensive, better organized effort to provide an effective linkage between basic national trade programs and actual confirmation of sales within the Region.

Working closely with the state agriculture marketing directors and guided by a subcommittee of the Commission's Agriculture and Natural Resources Advisory Committee, the Commission designed a program to enhance a balanced trade program which is finding increasing favor with regional producers who are for the first time entering an unfamiliar world of international marketing.



Key activities conducted by the Commission included a survey of contact areas in 46 countries to attempt to identify products in demand and potential buyers; stepped-up publicity of the program through distribution of literature and participation in seminars, shows and exhibits within the region; added exposure for the Commission program and those of member states by involvement in international goods and agriculture commodity fairs, an activity which also provides participating companies with opportunities for market contacts and direct sales; sponsorship of trade missions emphasizing specific business meetings with foreign importers, all prefaced by careful market research; development and processing of specialized trade leads so that individual followup by interested companies offers greater chance of tangible benefits.

Approximately 26 firms participated directly in missions and shows while some 60 firms capitalized upon other forms of Commission assistance, including following up on specialized trade leads. In all, more than 100 firms participated in some phase of the Commission program.

New sales during the year as a result of Commission intercession exceeded \$12 million. They represented a return of nearly 1800 percent on the \$566,000 that the Commission invested in the program during its first three years.

Sales, including the selling state and buying nation:

Montana: Honey to Europe, \$140,000; meat products and honey to Japan, \$150,000; breeding sheep to Japan, \$200,000.

Nebraska: Hanging tenders and outside skirts (beef cuts not included in the Japanese meat quotas) to Japan, \$165,000; popcorn to Europe, the Middle East and South America, millet, sunflower seeds and dry edible beans to Israel and Europe, and liver to France, Spain and the Middle East, \$2,030,000; dry edible beans to Japan, \$500,000.

North Dakota: Granola and protein supplements to Japan, \$150,000; rape seed (five-year growing contract) to Japan, \$2.5 million.

South Dakota: Dairy Heifers to Korea, \$1,010,000; breeding bull and breeding swine to Korea, \$40,000.

Wyoming: Frozen lamb carcasses to the Middle East, \$3,070,000.

Trade missions emphasized one-on-one approaches to potential foreign importers. After general briefings and meetings with government officials, including supporting activities by United States ambassadors and consular officials, trade teams received individual assignments and a quota of buying prospects to see during a given time.

Commission attention was directed to a great extent during the year to Japan, Korea, Taiwan, Singapore and South America. Far eastern expertise of the new Tokyo office, shared with the Pacific Northwest Commission, is proving helpful in promising expansion of both livestock and feed sales to Oriental nations. Publication of a Commission Marketing Meat Industry Survey listing the Region's meat packing and processing plants interested in exporting their products proved helpful. It is distributed at foreign trade shows and used by marketing teams on their foreign missions.

Commission assistance in the area of marketing was considerably broader than operation of its highly-integrated marketing program, however. Support was provided for a number of projects designed to promote favorite Old West products to various segments of the public and to provide farmers, ranchers and processors with more and better tools with which to sell their products.

A grant was provided to the North Dakota Beef Commission to conduct a survey of consumer attitudes and analyze the potential of expanded markets for canned beef. The project was designed also to review existing packaging and canning technologies with an objective to develop increased acceptability by consumers, improved flavor and nutrition benefits.

The University of Nebraska initiated and produced monthly placement and sales advisory reports for beef feedlot operations for distribution through the AGNET system. The reports keep recipients advised on costs and prices, forecast future trends and relate findings to computer models. The project will continue through FY 1980.

A similar advisory information service for beef and swine is under development to formulate necessary feeding budgets for carrying ranch inventories, to survey available plans and their costs, and to combine the foregoing information into a programming model for distribution through AGNET after scrutiny and approval by an advisory panel.

The North Dakota Department of Agriculture is assessing the degree to which

grain sampling and quality testing methods and procedures are accurate and adequate at the entry level in the grain marketing system. Tasks include collection of on-farm probe samples, observations or elevator sampling methods and evaluation procedures and comparison of results.

Assistance was provided to the CowBelles, an organization of ranch-oriented women, to promote the health and nutrition aspects of red meat. An international symposium directed to dietitians and consumers was to be carried out by the CowBelles and the National Livestock and Meat Board.

Specialty food products received attention from the Commission program. A grant was provided to a Montana development corporation to test the economic feasibility of producing specialty cheeses in the Region and to provide all information bearing upon the economic and technical analyses, methodologies and cost in order that similar studies could be made throughout the Region whenever specialty cheese considerations arise.

AGNET

One of the most exciting programs with which the Commission has become involved is AGNET, a computerized agricultural management information and decision-making system which offers more than 200 programs of tangible help to farmers and ranchers.

Want to know the optimum amount of irrigation your crops require? Or, the best time to sell your cattle? Or, the best feedmix program consistent with frugal operations? Whatever basic farm or ranch operating question an individual farmer or rancher has in mind, AGNET (an acronym for Agricultural Network) will help make an intelligent farm management decision, taking the guesswork out of the industry.

AGNET was developed several years ago by the University of Nebraska. It became fully operational in 1978 and with the assistance of a \$1.5 million Commission grant, it very quickly became a regional program. An increasing number of agri-business firms, as well as farms and ranches in the Old West, now use AGNET in day-to-day decision-making. Further expansion into other regions is being encouraged. A newly-developed AGNET "credit card" now provides easier access to the system, helping to move AGNET another step toward self-sufficiency.

So novel is AGNET that it receives constant national and international recognition. IBM publicizes it frequently as a state-of-the-art model capable of use by farmers and ranchers with no previous knowledge of computers to assist in making specific management decisions.

It is estimated that AGNET's feedmix programs save the user \$3-5 per ton on

feed costs while the irrigation program saves \$7-15 per acre in energy and fertilizer costs. Additional savings are realized by producers who fine-tune their production, management and marketing decisions through many of the other programs, such as Beef, Swine, Haylist, Crop-budget, Plantax, Pump and Outlook.

Assembled and trained with Commission funds, a small professional staff now coordinates and operates the AGNET system throughout the five Old West states. Operation in each state is under overall direction of a supervisory committee while the staff trains the agricultural community in the use of the system and modifies existing programs and data bases to local conditions and needs, and develops new programs for the regional system.

AGNET acts as a rapid communications device, permitting specialists to advise agriculturalists of the latest outlook information, such as crop reports, market trends, and market news. As such, it has proved valuable during emergency situations by providing current information concerning the locale and supply of critical agricultural inputs, such as locating hay in the Region. This feature of AGNET continues to be expanded. Early in FY 1980, state departments of agriculture in the Region will be linked by the system with the Commission's agriculture marketing office in Billings to provide rapid exchange of critical data.

Through the end of the fiscal year, the region's 250 terminals in the AGNET system had been used more than 140,000 times, connecting with AGNET directly for more than 91,000 hours. A significant percentage of these users is termed "external," those who purchase their own terminals and pay full computer and telephone costs, plus an additional use fee for access to the system.



Industrial Development

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One of the Commission's consistent long-range goals has been to broaden the industrial base in an area that has historically been almost totally dependent upon agriculture for its economic progress. Public officials have been hopeful that one of the foremost byproducts of increased energy development in the Region would be expansion of the industrial mix in conformance with the high environmental and quality-of-life standards the Region intends to maintain.

In seeking accomplishment of that goal, the Commission several years ago initiated an ambitious international trade program designed to expand markets for regional products, attract reverse investment and promote increased attention by the foreign business community and public for the Old West. In addition to this program the Commission has carefully selected several programs designed to improve the welfare of existing industries in the Region. Such programs are intended to help established industries improve their standing in the markets, to help smaller industries grow, and to convert promising ideas, concepts and inventions into thriving small businesses.

Finally, to capitalize upon the awesome natural beauty of the Region and its virtually unlimited tourism attractions, the Commission has sought to help Old West states expand their tourism promotional programs. One of the critical objectives of this effort is the expansion of foreign tourism that almost everyone feels is a fertile field for development, given the inordinate interest of foreigners in television's interpretations of life in the Old West.

The Commission's industrial development program, therefore, has settled into a three-phase effort to bolster international trade and reverse investment, to provide technical assistance to industries in the Region and to find ways of increasing tourism in an area of natural attraction for people throughout the world.

International Trade

The Commission's international trade program increases the Region's job base and income level in three ways: by pro-

moting exports, encouraging foreign tourists to visit the Region, and by soliciting reverse investment, inviting appropriate foreign investment in an area which is traditionally capital-short.

Among continuing Commission activities which are building a strong, rapidly-growing international marketing base in the Region are these:

The Export Trade Leads Advisory System distributes selected export leads to approximately 400 firms. Evaluations from participating firms in FY 1979 concluded that 74 percent of the firms were actively corresponding with foreign companies and 40 percent had reported an increase of 10 percent or more in their

Equipment Show in Caracas, and in both cases reported not only direct sales but promising arrangements for future distribution of Old West products.

Industrial development is a long-range process. It may take years to bring a new plant into the Region, especially when the Region is selective about the types of foreign investment to be attracted. Investment leads are developed from various sources, including the new international marketing offices. The leads are then pursued actively throughout the region to ascertain interest and eventually bring the interested parties into direct communication and hopefully a favorable decision. A series of five statewide reverse



exports over the previous 12 months. The Trade Leads service is supported by periodical Export Management Briefs that provide in-plant assistance and a continuing series of export workshops for management and staffs. Export leads are fed into the system from a variety of sources, increasingly from the Commission's new international marketing offices in Frankfurt, Germany, and Tokyo, Japan.

The Commission also participates regularly in overseas exhibitions and missions that have proved to be one of the best vehicles to obtain distributorships abroad as well as a significant means of making direct sales. Old West firms participated in the Paris International Agricultural Machinery Exhibition and the Medical

investment seminars throughout the Region drew attendance of approximately 150 key businessmen.

Recent developments in the area of reverse investment include an infusion of British capital into an expanding pelt and fur-processing plant in South Dakota, and a German contract with a Nebraska electronics firm to make sophisticated dental equipment. The Nebraska firm said its initial international contract is profitable in itself but will "lead to something bigger."

International marketing activities received a substantial boost late in the year with the assignment of a "Pearson Officer" to the Commission. The Pearson Officer is an experienced Department of State officer with extensive foreign marketing and consular service who may be assigned to domestic marketing activities for an interim period to assist with his background and to broaden his own experience. Old West, the first regional commission to receive such assistance, added the services of a former director of the U.S. Trade Center at Sao Paulo, Brazil. A veteran of service in Caracas, Paris, and Lyon, France, the State Department Officer added depth to the Commission program that already was directed by a retired consul general of the Department of State.

Foreign Marketing Offices

During the year, the Commission's foreign marketing program, which has been growing sharply in its formative stages, became a program of major significance. In addition to opening an office in Frankfurt, the Commission joined the Pacific Northwest Regional Commission in establishing a similar office in Tokyo. Objectives of the Tokyo office include supporting trade promotion and trade mission efforts of the two Commissions

by providing information to Japanese buyers, collecting and forwarding buyer information to regional sellers, and providing marketing services for industries, trade associations, state agencies and producer associations. The specific Old West representative assigned to the office pursues expanded trade between the Region and the Far East, tourism promotion and reverse investment.

In another project directed at expansion of foreign trade, the Commission undertook a regional coal linkages examination. Recent rapid increases in coal extraction, conversion and transportation and prospective increases have created a significant new market for goods and services in both the construction and operational phases of these industries. Recognizing that this market represents a significant opportunity for economic diversification within the Region, the Commission seeks to achieve a thorough understanding of both the coal industry and the industries that supply goods and services to it, and from this understanding to identify new industries or economic activities that would provide favorable potential benefits for the Region.

Industry Assistance

Two major programs, both revolutionary in nature, attracted considerable attention inside and outside the Region during the year. One was installation of a regional industrial start-up training program, the first one of regional scope in the nation. The second was continued sponsorship of another unique program, the Center For Innovation.

While start-up training programs are not new, they had generally been applied previously on a state level in highly industrialized areas. The Old West experiment is the first time, according to industrial training experts, that a region-wide program has been established.

The objectives of the program are to provide training assistance to industries in new and emerging skills or for training new employees. Working with state industrial development organizations, a team of Commission training specialists began by identifying the magnitude of the training program, resources available

and the management needs of the program. With those parameters as a guide, the team began operation of the program on a trial basis.

The program is capable of providing complete training for all employees of a new or expanding firm when a new facility begins operation. Industrial development officials believe the innovation will provide a strong incentive for industrial development throughout the Region.

The training program is offered at no cost to the employer. The Commission-sponsored staff will design specific programs with the advice and guidance of the client firm. The training specialists will help in recruiting trainees and then will conduct the training to company specifications. Training will be conducted at locations near the new plant or facility, possibly at the plant sites, in rented facilities, in community buildings or nearby vocational-technical schools.

In addition to helping create employment, the program is expected to upgrade skills of the existing labor force.

The program operates under the guidance of the Commission's Industrial Development Advisory Committee, composed of industrial development directors of each Old West state, working through a coordinator in each state industrial development office.

Information on the program may be obtained by writing or telephoning any of the state industrial development offices or the Commission office at Rapid City, South Dakota.

The Center For Innovation is a non-profit agency designed to help inventors develop ideas, patent them and get them into commercial production, to assist in establishment of small businesses based upon such innovations, and to provide other management and marketing assistance to individuals or companies with promising products or inventions. While much of CFI's work is directed at energy development, it is open to consideration of help for any developing project it feels has commercial potential.

Working with state industrial development departments to locate and screen likely recipients of CFI assistance, the agency in less than two years of existence had by the year's end created approximately 100 jobs in the Region, and had developed some 15 worthwhile projects to the point of introduction to the market or to a stage of expanded production. The products had an estimated potential for \$3 million in retail sales during the past year and \$14 million in 1980. It was estimated the number of jobs involved in those projects could be doubled by the end of the year. It was also anticipated that through a royalty-sharing system being developed with recipients of its assistance, it could look ahead to ultimate financial independence. The agency received its first royalty check during the year, resulting from an agreement between inventor of a solar collector and a solar manufacturing and marketing firm.

CFI has attracted so much attention outside the Region as well as inside that it is expected to be copied by industrial development organizations at the national and other regional levels.

Another help to small industries was developed through assistance to the Plains Indian Arts and Crafts Exposition in forming a crafts guild to encourage production and marketing of native American indigenous arts and crafts. Guilds were to be established on eight reservations in North Dakota and South Dakota on a demonstration basis, each designed to locate workers and identify their specialties, to ascertain production rates and project income, and to develop marketing strategies.

Meanwhile, a series of earlier projects to develop the commercial viability of ground aspen as a livestock feed moved ahead with the U.S. Food and Drug Administration indicating it would soon certify the feed for interstate commerce. With the concept of harvesting and grinding the trees for nutritious feed well established through a series of Commission demonstrations, several small commercial plants were beginning limited production and marketing of the feed. It was expected interest in the emerging industry would grow rapidly when feed could be shipped



across state lines. The process was first validated in an experiment to find a commercial incentive to clear aspen undergrowth which grows so thickly it chokes itself to death unless the trees are harvested periodically so they can produce from the roots.

Tourism

Three of the Commission's Governors inaugurated the Commission's new Frankfurt office by heading the Commission's first full-fledged trade mission to five leading European cities, emphasizing tourism and reverse investment possibilities in the Region.

Stops in London, Zurich, Munich, Frankfurt and Paris included briefings by U.S. commercial and agricultural attaches and international bankers and participation in investment and trade seminars. One of the most striking impressions reported by the group was the intense interest among Europeans in the frontier traditions of the West.

The visit kicked off increased activities to open the Old West to European tourists. Exhibits have been sponsored at Montreux, Brussels, Zurich and Berlin. Among further steps taken was sponsorship of a familiarization tour for European travel agents and writers, and an expansion of distribution of tourism literature through European outlets.

Closer to home, the Commission continued its program to expand the Region's tourism season through its Mellowtime campaign. The object is to attract more tourists in September and October, extending the season from three months to five. Because of the uncertain gasoline situation, the campaign narrowed its scope to concentrate on markets adjacent to the Region.

Objectives of the project were: 1) to make people aware of the Region as a fall vacation destination; 2) to encourage people to write to the state tourism agencies to learn more about the vacation opportunities available in the Region; 3) to determine if people responding to the advertising campaign planned to vacation in the Region during 1979 or in future years; 4) to increase the gross receipts of tourism oriented businesses operating in the Region during the fall months; 5) to increase the number of people visiting public vacation attractions; and 6) to evaluate the effectiveness of the advertising campaign.

In a companion effort to measure more accurately out-of-state tourism and recreation attention to the Region, the Commission provided a matching grant to assist the states and the Heritage Conservation and Recreation Service, formerly the Federal Bureau of Outdoor Recreation, in conducting a non-resident travel and recreation survey. The project achieved the unique distinction of bringing four public agencies into a coordinated activity: HCRS, the Commission, and the state parks and state tourism agencies of each of the Old West states.

Other contributions to tourism expansion included a grant to a new regional skiing association to help sponsor a five-state winter sports promotion, and assistance to the Earth Resources Observatory, Inc., a non-profit foundation building an educational center to be operated in connection with the U.S. Geological Survey's EROS, Earth Resources Observation Systems Data Center, located near Sioux Falls, S.D.

Human Resources

While self reliance and old-fashioned individualism are practiced with greater fervor in the Old West than in most other parts of the country, the geography of the area plus the onslaught of industrialization are creating and intensifying critical deficiencies in delivery of human services. Housing and most public services are clearly inadequate in the growing number of boom towns. Similar deficiencies abound on the Indian reservations. But with limited resources and strong conviction that preservation of the Region's traditional quality of life should be a major objective, the Commission has devoted its limited resources to vocational education and delivery of health services as the two areas in which it can make the most effective contribution.

Adequate vocational education is viewed as an essential element in the Region's economic progress. It is the key



to advancement by the Indian population and it is essential to properly indoctrinate an agriculturally oriented work force to a new repertoire of energy-related and industrial skills. Delivery of health services is viewed as an even more critical problem for a largely rural population which has in recent years gradually lost the services of the family doctor and now may find itself several hours away from any professional medical attention.

Education

Foremost among educational efforts during the year was continued attention to ultimate construction and operation of a veterinary medicine educational service center at Lincoln, Nebraska, consolidating and complementing veterinary education at participating state schools. While legislatures of three of the states, Nebraska, Wyoming, and North Dakota, endorsed continued progress of construction plans, the Commission provided planning support to a non-profit organization, Veterinary Educational Services Project (VESP), which completed final pre-construction planning, apprised state legislatures of alternative funding options, and prepared pre-accreditation reports, interstate agreements and preliminary architectural plans. VESP also developed a schedule of critical decision points in the program and provided an organizational and supervisory structure for the proposed center. Because the legislatures had made it clear that they expected the finan-

cial lead to be taken by the Federal government, VESP began providing liaison with the U.S. Department of Agriculture and Health, Education and Welfare, both of whom had possible funding programs. Of an estimated cost of \$40 million, the states are currently seeking \$20 million from the Federal government. Meanwhile, Nebraska stockgrowers spearheaded a non-profit fund-raising organization that is seeking several million dollars in private pledges to augment Federal, State and Commission funds.

The Commission's Family Training Center at Glasgow, Montana, continued to provide vocational, home economics, pre-school and secondary school training for 200 underskilled rural families from the five Old West states and Idaho. Objective of the program, taken over from the National Institute of Education several years earlier, is to provide educational opportunities enabling students to become employable in new occupations, to aid the students in locating new employment, to provide assistance in helping them adjust to new communities and new employment situations, and finally to assist the student's family in becoming more effective as a unit and individuals in dealing with everyday problems. The Commission for the first time allocated some of its own funds to the Center whose Board of Directors is seeking to convert it to a self-sustaining institution. Placement rates for Center graduates remained at its usual high level.

Utilizing a Commission grant, the American Indian Higher Education Consortium instituted a salaried development position at each of 12 tribal community colleges in the Region to promote cooperative development of economic and human resources. Project participants inventoried existing training programs, supported the colleges' accreditation efforts and conducted student tracking studies for analysis and documentation of the educational impact of community colleges on institutional planning and evaluation.

As a result of its work, the Consortium reported that tribal leadership expects the community colleges to take a much more active role in reservation develop-



ment than had been anticipated. Although the colleges provide Indians with training and education needed for employment and personal development, officials believe the institutions should undertake a more direct role in providing the technical assistance needed for overall reservation development.

In conjunction with Argonne National Laboratory, the Commission continued to fund a six-week course in environmental and energy resources for selected students from Indian community colleges. The program, conducted at the Fort Berthold (N.D.) community college, is built around scientific principles underlying energy development, natural resources, reclamation and conservation and how to apply those principles to tribal lands rich in coal and uranium. Following the course each year, a small number of selected students is invited to take additional training at Argonne Laboratory near Chicago. The hope of sponsors is that community colleges participating in the program will ultimately establish permanent curricula along the lines of the course, providing Indians with sufficient background to make decisions about developing their lands.

Another specialized training course sponsored by the Commission was a regional demonstration of a heavy equipment operators' training program. Recent expansion of energy and minerals development in the Region has created a shortage of heavy equipment operators. In an effort to help states cope with the shortage, the Commission undertook a project designed to train 20 new equipment operators in energy conversion or allied industries. Emphasized in the training was development and operation of a demonstration model for reclamation of abandoned coal mines. Also included was development of the required software needed to operate the program. When completed, the program will be made available to vocational training officials and agencies throughout the Region.

Health Services

The Commission's health care program was given a major thrust forward early in the year with the assignment of an

experienced U.S. Public Health Service official to the Commission under an Intergovernmental Personnel Act agreement. From the Rapid City, South Dakota, headquarters, he assumed coordination of the Commission's primary health care programs as well as other health care projects and provided executive secretary's services to the Human Resources Advisory Committee.

Primary health care projects, authorized in the 1975 amendment to the Public Works and Economic Development Act, were inaugurated by the Commission on the basis of one per state. Three states—Nebraska, North Dakota and South Dakota—had such projects underway during the year.

The first program, the Sandhills Visiting Nurses project in Nebraska, had been scheduled to conclude during the year but was extended for another 12 months. Conducted in sparsely populated western Nebraska, the project was designed to provide coordinated home health care to a patient at his or her residence under the direction of a physician. Elements of the care included nursing service, home health aides, physical therapy, nutrition counseling, followup pathology tests plus other services that might be required.

Similar community health nursing programs included health screening and preventive measures such as counseling and immunization, public health education through instruction and demonstration, classes in home nursing procedure plus other special services.

North Dakota chose for its project development of emergency care nurse practitioners. Objectives were to increase primary care services through implementation of advanced life support capabilities in rural areas of the State, development of a model for implementing services in similar rural areas, improvement of the economic climate in energy-impacted rural areas by providing a program that would draw health care personnel into the area, and development of a system for evaluating the effectiveness of the program.

South Dakota's project was a two-phase effort by a sub-state planning district to improve rural health services. One

phase of the work was to develop a satellite clinic wherein comprehensive medical care would be provided by a hospital to citizens of nearby communities which had no hospital. The same planning district also undertook establishment of a primary health care plan including organization of an advisory committee to guide the project.

Another long-standing health manpower project cut itself loose from Commission purse-strings during the year and appeared to be successfully launched as an independent enterprise. Commission funding for the Health Manpower Recruitment and Placement project expired and efforts to obtain other governmental support were unsuccessful. But buoyed by gratifying results in recent months, the non-profit effort was continued, depending upon the parties involved for its financial support.

The program had achieved considerable success in identifying needy communities and interested health care professionals, coordinating their mutual interests and actively sponsoring a match between professionals seeking a location and communities seeking health care personnel. Nearly two dozen health care professionals were placed in small communities within the Region in the final few months of Commission participation in the program.

Transportation



Lack of adequate transportation for both people and products throughout the Region continues to be a basic Commission concern. Small community air service, marginal at best, often has been completely inadequate. Deteriorating rail freight service, aptly highlighted by the annual grain car shortage, is a serious deterrent to economic development. The growing clamor of coal trains combing the prairies and the prospect for sharp increases in their number further impair the transportation outlook.

One of the Commission's first efforts to cope with these broad problems was to investigate establishment of a centrally located international-class air hub with reliable connections to small communities throughout the Region, connections now furnished from Denver, Omaha, Minneapolis, and the West Coast. Early planning efforts were placed in abeyance, however, in response to the Civil Aeronautics Board's rapid progress toward airline deregulation and the attendant problems posed for small communities throughout the Old West.

National developments in both air and rail transportation led to postponement of further long-range planning in favor of responding to developing contin-

gencies with emergency assistance to small communities and freight shippers. During the past year, the Commission has dedicated substantial resources to assisting states and communities meet the threat of airline route abandonment and helping shippers in their effort to maintain a rail link with the rest of the nation in the wake of such rail bankruptcies as that of the Milwaukee Road. All of these events created an emergency need to preserve essential services however possible. The Commission effectively augmented that preservation effort with planning funds.

Air Service

The first small city in the nation to be faced with the loss of essential air service under the impetus of Congressional deregulation was Jamestown, North Dakota. In the expectation that the Jamestown experience would soon be duplicated in many other low traffic-volume cities throughout the Region, the Commission responded to the city's appeal for assistance in presenting Jamestown's case for continued air service to the CAB.

The experience that followed was a successful example of Commission funding providing immediate technical support leading to presentation of a persuasive, well-documented case to the CAB. With the subsequent assistance of the CAB, Jamestown secured the services of a qualified third-level air carrier which immediately began providing twice the service offered by its predecessor. Meanwhile, procedures for preparation of the Jamestown application were made available to air service officials throughout the Region for the guidance of other communities facing the same situation.

Following closely on the heels of the Jamestown episode, the Commission allocated funds to a similar case involving proposed abandonment of service to seven small Montana cities and two others in North Dakota. While final disposition of the case remained undetermined at the year's end, the Commission once again had been instrumental in preparing a formal presentation for the communities, none of which had the expertise required by the task.

Rail Service

Similar Commission action proved helpful to under-served communities in the lengthy bankruptcy proceedings involving the Milwaukee railroad. When the bankruptcy court's trustee recommended abandonment of Milwaukee service west of Minneapolis and sale of its tracks to the west coast, he threatened the life line of hundreds of Old West shippers whose only commercial connection with the world beyond was deteriorating Milwaukee tracks. The states of Montana, South Dakota, and to a lesser extent, North Dakota, are dependent upon the Milwaukee for coal, freight and grain transportation. Asked again to help a significant segment of the Region on an emergency basis, the Commission responded by contracting for assistance by a large national accounting firm already immersed in midwest rail problems. The objective was to have the railroad experts recommend effective action the Commission might take to meet the threat of widespread railroad abandonment.

While the Commission began following through on recommended action, a group of shippers and employee organizations sought further support for a growing effort to organize a non-profit employee-shippers corporation to assure operation of threatened rail lines. Again, the Commission agreed to provide emergency funds for preparation and documentation of plans to take over a large portion of the railroad and application to the Congress for federal assistance in operating the lines on an interim basis. The New Milwaukee Lines immediately became a focal point for western interests seeking to preserve Milwaukee rail service from the Midwest to the West Coast.

Direct assistance to state and local governments has always been a major facet of the Commission program. It took on a new dimension during FY 1979 when the Commission initiated a Growth Policy Process which shows tremendous promise as a means of effectively representing regional interests to Federal agencies involved in establishing national policies or formulating Federal regulations and programs. The Growth Policy Process flowed from the Commission's participation in the series of regional and national balanced growth meetings in 1977. It now is becoming a highly significant part of the overall commission effort.

Another major Commission project, a keystone of the program since its early days, was its Community Technical Assistance program that assists communities or planning districts in funding public services needed to fill an essential role in development of the community structure.

Although the Growth Policy Process rapidly became the means by which the Commission represents the Old West states collectively with Federal agencies, a number of other state-federal relations services are provided by the Commission. These programs are all designed to help state and local governments operate more effectively in implementing the Commission's economic development strategies and to smooth the sometimes difficult course of federal-regional relations as they are affected by developing federal plans and policies.

Growth Policy Process

A major purpose of Congress in authorizing the Regional Commission concept was expansion of state and regional influence in formulation and execution of national policies and programs affecting economic development. After the President sought to strengthen the Commission systems in January 1979 by directing closer Commission involvement in reconciling priorities of a regional nature with federal policies and practices, the Old West Commission was asked by the Department of Commerce to undertake a prototype program to implement the President's directive. The activity was called the Regional Growth Policy Process.

Working closely with the Department and the Inter-Agency Coordinating Council, the Commission undertook a planning process and intergovernmental exercise designed to (1) increase the attention of all federal agencies to regional issues and concerns; (2) provide some remedies to what would otherwise be ad hoc approaches to regional decision-making; (3) influence Federal activities in a region where priorities are clearly identified as being larger than those of any single state; (4) help the states improve their own structure and strategies, and (5) design a possible process that could work in a coordinated intergovernmental fashion.

The steps in the process were (1) review of all state planning/policy documents reflecting substate and state development plans; (2) preparation of a summary paper on mutual concerns with regional implications for possible intergovernmental negotiations; (3) development with Commission Alternates and state officials of a series of targeted regional concerns and federal inhibitions; (4) compilation of summaries for official review by the Alternates; (5) review and acceptance of the regional priorities by the Governors of the Commission; (6) compilation of regional policy recommendations and documented evidence of past state and Commission concerns, commitments and actions with each policy issue, together with the appropriate role for federal involvement, redress, intervention, solution or commitment; (7) review of the program with the Department and the IACC that examined recommendations, identified potential federal involvement and intergovernmental cooperation possibilities, setting the stage for appropriate federal agency response; (8) conduct a series of meetings with appropriate federal agencies and Com-





mission and state officials, addressing specific regional priorities; (9) follow-up on those meetings leading to mutually-acceptable state-federal actions.

While the demonstration had not been completed at the end of the year, it was evident to the Commission that the process would be a most useful tool in federal-state relations affecting regional problems. It was established as a continuing program of the highest priority. As specific policy priorities are achieved, new priorities will be added to the list of Growth Policy objectives and the process will be started once again. One of the primary strengths of the program is its ability to achieve regional objectives without expenditure of large sums of money. It should prove to be of equal benefit to federal agencies as a medium of communicating and negotiating effectively with a group of states on regional concerns.

The Commission's Growth Policy Process was a logical sequel to its 1977 regional Balanced Growth Conference in which some 250 representatives of Old West economic interests met for two days to prioritize regional developmental objectives. Following that conference, the Commission agreed to provide grants of \$25,000 to each state to conduct a subsequent balanced growth policy exercise of its selection. Three states responded immediately. South Dakota already had undertaken its "futures" program in which widespread public participation was solicited in selection of goals and strategies for the future. The series of citizen meetings culminated in a written report detailing major concerns and recommended solutions. Montana chose to continue its balanced growth program with a project to identify human services needed to support economic development and specific avenues for providing those services and methods for evaluating their effectiveness. North Dakota chose to incorporate its continuing activity into an "Integrated Work Program for Economic Development Planning in North Dakota," consisting of three major areas: Economic Development Administration projects, State Public Investment Plans, and balanced growth analyses.

Community Technical Assistance

The Commission's community technical assistance program, funded annually at approximately \$1 million, has been one of its most popular programs. It provides funds to energy-impacted communities, through the states, to support public services which their tax bases are not capable of handling under the pressure of rapid growth.

During the year, aid went to the Montana State government to organize local workshops, compile business directories and provide guidance to localities on how to increase employment and income. Grants were given to seven city governments or sub-state planning agen-



cies for such assistance as expanding economic uses of historic structures, sponsorship of a development board to undertake downtown development, designing programs to solicit industry, and providing city health and restaurant inspectors.

In Nebraska funds were distributed to 14 agencies, supporting these functions: A specialist to perform city engineering services, financing direct mail campaigns promoting industrial development, sponsorship of a retail trade area survey and presentation of the results to the business community, initiation of rehabilitation activity in older commercial areas, funding of a "roving administrator" to help with preparation of pre-applications for federal funds, formulation of downtown improvement plans and sponsor-

ship of public meetings to review those plans.

In North Dakota, nine sub-state planning district councils received funds to finance: an energy impact study to cope with mineral development; drafting an area-wide housing opportunity plan; an effort to establish several processing plants designed to use indigenous products such as sunflowers and pasta; industrial promotion through a variety of techniques; and land use planning and support for hiring a community coordinator in charge of economic development.

In South Dakota, grants were made to six planning districts for formulation of plans covering such functions as economic development, housing, energy, human services and transportation. Coordination of energy development problems also was a key objective of the program as one district devoted its share of funds to averting negative impacts from uranium development, a process requiring substantial coordination among private companies, federal and state governments, and the impacted counties.

In Wyoming, funds went to sub-state planning districts which utilized them for grant monitoring and dissemination of information on available grants, preparation of applications, and drafting of required legal documents for use by both public and private parties in economic development activities.

Other Guidance and Assistance

Another significant category of Commission assistance to State and local governments was provision of guidance designed to help officials at those levels do a more effective job.

The Commission continued to contract with a major national econometric modeling firm to provide information and assistance to state officials in a variety of economic development areas. The firm appeared regularly at regional meetings to brief state officials and present its national and regional economic forecasts.

Another workshop for city managers was scheduled in conjunction with the International City Management Association. This program, part of a continuing effort by the Commission and the ICMA

to assist Old West city managers in doing a more professional job, was dedicated to developing communications skills, identifying specific communications problems, developing strategies to deal with the problems and implementing and evaluating those strategies.

Assistance was provided to Wyoming in forecasting energy impacts in nine of its most productive counties. The report projected coal production in the counties to increase 160 percent from its 1978 level, to approximately 155 million tons by 1985. The population increase was projected at 29 percent.

When a critical cement shortage erupted in the area, the Commission provided funds to establish an ad hoc committee of officials from the five states.

Once again funds were provided to each of the Old West states to support their state investment planning.

Nearly \$500,000 was expended for supplemental grants, enabling communities to raise funding to match available federal funds for local improvements. A total of \$367,516 was distributed to six North Dakota and Wyoming communities to match Heritage Conservation and Recreation Service improvements while \$100,000 was granted to the Lake County Conservation district of South Dakota for an improvement project at

Lake Herman in the eastern part of the State.

Federal Cooperation

Commission assistance was not restricted to state and local governments. Services also were provided to a number of federal agencies that found they could coordinate regional programs more effectively by seeking Commission assistance.

The Commission agreed with the Bureau of Census to fund special block census surveys of specific counties and towns designated by the Commission on the basis of their experience with or anticipation of accelerated growth due to energy development.

An energy-related feasibility study and environmental impact statement regarding reactivation of the Glasgow (Montana) air base was completed for the Department of Defense.

Socio-economic assessments of two major Wyoming coal mines were undertaken in cooperation with the U.S. Geological Survey to conduct expanded community infrastructure assessments, analyze social changes and assess additional mitigating strategies.



Financial Statement

I. TECHNICAL ASSISTANCE

A Funds Available

1. Family Training Center Program

FY 1979 Old West Regional Commission Funds . . .	\$ 210,000.00
Transfer from Labor Department	2,000,000.00
Unobligated Balance Forward	770,306.00
Recoveries of Prior Year Obligations	236,372.00
Total Available	\$ 3,216,678.00

2. Technical Assistance Other Than Family

Training Center Program

FY 1979 Appropriation	\$ 6,473,000.00
Unobligated Balance Brought Forward	373,162.00
Recoveries of Prior Year Obligations	553,220.00
Total Available	\$ 7,399,382.00
Total Technical Assistance Funds Available . . .	\$10,616,060.00

B Application of Technical Assistance Funds

Family Training Center Program	\$ 3,216,678.00
Human Resources	734,432.00
Industrial Development and International Trade	2,238,574.00
Natural Resources and Energy	433,909.00
Agriculture and Forestry	1,125,097.00
Recreation and Tourism	559,000.00
Transportation	209,277.00
Regional Economic Analysis	150,000.00
Government Services	1,212,937.00
State Investment Planning	700,000.00
Total Technical Assistance Funds Obligated . . .	\$10,579,904.00

	Application of Technical Assistance
	Administrative Expense Funds

II. ADMINISTRATIVE EXPENSE FUNDS OBLIGATED

Federal Cochairman's Office	\$ 413,128.00
Commission Office (Non-Federal)	419,178.00
Total Administrative Obligations	\$ 832,306.00

III. SUPPLEMENTAL GRANTS

Funds Available	\$ 1,443,960.00
Obligations Incurred:	
Natural Resources	\$ 100,000.00
Recreation and Tourism	367,516.00
Total Supplemental Grants Obligated	\$ 467,516.00

Transportation **\$209,277**

Regional Economic Analysis **\$150,000**

Natural Resources and Energy **\$433,909**

Recreation and Tourism **\$559,000**

State Investment Planning **\$700,000**

Human Resources **\$734,432**

Agriculture and Forestry **\$1,125,097**

Government Services **\$1,212,937**

Industrial Development and International Trade **\$2,238,574**

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